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A Method of Exchanging Digital Data

The invention relates to digital data exchange and electronic commerce, and in particular, to a method of fair and efficient exchange of digital data between potential distrustful parties over a digital communication channel.

An important issue in information processing and electronic commerce is how to exchange non-repudiation information between two potentially distrustful parties in a secure and fair manner. An example of this is the electronic contract signing problem where two parties are physically apart and negotiate a contract in the form of digital document over a communication network. The contract is considered legally binding if the two parties have each other's digital signatures on the digital document. The two parties need to execute a fair exchange protocol to obtain each other's digital signatures. Other applications of fair exchange protocols include certified electronic mail delivery and electronic auctioning over internet.

Fair exchange has been studied for some time in the context of "simultaneous secret exchange" or "gradual secret releasing", see for examples, S. Even, O. Goldreich, and A. Lempel, "A randomized protocol for signing contracts", Communications of the ACM, vol. 28, pp. 637-647, June 1985; also see T. Okamoto and K. Ohta, "How to simultaneously exchange secrets by general assumptions", Proceedings of the 2nd ACM Conference on Computer

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and Communications Security, pp. 184-192, Fairfax, Virginia, November 1994. In simultaneous secret exchange schemes, it is assumed that two parties A and B each possess a secret a and b, respectively, where a and b are n bit strings. Further it is assumed that both secrets represent some value to the other party and that they are willing to trade the secrets with each other. A simultaneous secret exchange process is typically carried out as following. First, A and B exchange $f(a)$ and $g(b)$ for some predefined functions $f()$ and $g()$, with the property that A can not get b from $g(b)$ and B can not recover a from $f(a)$. Then, A and B release a and b bit-by-bit. For such a protocol to be useful, it must satisfy the following two requirements: correctness -- the correctness of each bit given must be checked by each receiver to ensure that his/her secret has not being traded for garbage; and fairness -- the computational effort required from the parties to obtain each other's remaining secret should be approximately equal at any stage during the execution of the protocol. Note that the above fairness definition based on equal computational complexity makes sense only if the two parties have equal computing power, an often unrealistic and undesirable assumption. Another drawback of the above scheme is that the execution of the scheme requires many rounds of interactions between the two parties.

The other approach in fair exchange is using an on-line trusted third party (TTP), see for examples, J. Zhou and D. Gollmann, "A fair non-repudiation protocol", Proceedings of the 1996 IEEE

Symposium on Security and Privacy", IEEE Computer Press, pp. 55-61, Oakland, CA; R. H. Deng, L. Gong, A. A. Lazar, and W. Wang, "Practical protocols for certified electronic mail", Journal of Network and Systems Management, vil. 4, no. 3, pp. 279-297, 1996. In on-line TTP based protocols, the TTP acts as a middleman. A and B forward their messages/signatures to the TTP. The TTP first checks the validity of the received signatures and then relays them to the respective parties. The major drawback of this approach is that the TTP is always involved in the exchange even if the parties are honest and no fault occurs; therefore, the on-line TTP is both a computational bottleneck and a communications bottleneck. To avoid such bottlenecks, a more novel approach is to use protocols with an off-line TTP. That is, the TTP does not get involved in the normal or exceptionless case, it gets involved only in the presence of faults or in the case of dishonest parties who do not follow the protocols.

To our knowledge, the only fair exchange protocols using off-line TTP are given by N. Asokan, M. Schunter, and M. Waidner, "Optimistic protocols for fair exchange", Proceedings of the 4th ACM Conference on Computer and Communications Security, Zurich, April 1997. However, these protocols achieve fairness only if the TTP can undo a transfer of an item or it is able to produce a replacement for it; otherwise, a misbehaving party may get other party's data and refuse to send his data to the other party. When this happens, all the TTP can do in the above mentioned protocols is to issue affidavits

attesting to what happened during the exchange. However, such affidavits may be useless in the internet environment where the cheating party may disappeared easily and the damage to the honest party may not be revocable.

In accordance with the present invention, a method of exchanging digital data between a first party, having a unique first digital data, and a second party, having a unique second digital data, over a communication link, the method comprising the steps of:

(a) the first party encrypting the first digital data and generating an authentication certificate, the authentication certificate authenticating that the encrypted first digital data is an encryption of the first digital data, and sending the encrypted first digital data and the authentication certificate to the second party;

(b) the second party verifying that the encrypted first digital data is an encryption of the first digital data using the authentication certificate, and the second party sending the second digital data to the first party if the verification is positive;

(c) the first party verifying that the second digital data is valid, and if the verification is positive the first party accepts the second digital data and sends the unencrypted first digital data to the second party;

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Fairness is only achieved if the exchange protocol possesses a so called loss-preventing property. Loss-preventing means that

A new cryptographic primitive, called the Certificate of Encrypted Message Being a Signature (CEMBS) is also invented here. The CEMBS is used to prove that an encrypted message is a certain party's signature on a file without revealing the actual signature.

Figure 1 shows the steps of fair exchange digital signatures on a common file;

Figure 2 shows the steps of fair exchange of a file and a digital signature on a one-way hash of the file;

Figure 3 illustrates the flow diagram of the first Signature-Ciphertext-CEMBS-Generation Program (SCCGP) used in the preferred embodiment of the present invention; and, Figure 4 shows the flow diagram of the second Signature-Ciphertext-CEMBS-Generation Program (SCCGP) used in the preferred embodiment of the present invention.

The parties involved in the protocols and some of the notations used in the description of the examples are as follows.

Notations related to public key encryption scheme

P : a public key encryption scheme
 P_{encr} : encryption algorithm of P
 P_{decr} : decryption algorithm of P
 PK : a public key in P
 SK : the private key corresponding to PK
 $P_{\text{encr}}(PK, m)$: encryption output (i. e., ciphertext) of a plaintext m using PK
 $P_{\text{decr}}(SK, c)$: decryption output (i. e., plaintext) of a ciphertext c using SK

Notations related to digital signature schemes

S : a digital signature scheme
 S_{sign} : signing algorithm of S
 S_{veri} : verifying algorithm of S
 sk : a private (or signing) key in S
 pk : the public (or verifying) key corresponding to sk
 $S_{\text{sign}}(sk, m)$: signature on a plaintext m under private key sk
 $S_{\text{veri}}(pk, \text{sign}, m)$: verification of a signature sign on a message m using public key pk ; it outputs
 yes if the signature is valid and no

otherwise

Mathematics notations

a^b : a raised to the bth power

$a||b$: the concatenation of a and b

\mathbb{Z}_p : the set of p integers $\{0, 1, 2, \dots, p-2, p-1\}$

\mathbb{Z}_p^* : the subset of integers in \mathbb{Z}_p which are relatively prime to p

There are three generic parties in a fair-exchange system,

Parties involved

A : a party involved in a fair exchange. It has a pair of public/private keys pk_A and sk_A used for signature verification and generation, respectively.

B : a party involved in a fair exchange. It has a pair of public/private keys pk_B and sk_B used for signature verification and generation, respectively.

T : an off-line trusted third party (TTP). It has a pair of public/private keys PKT and SKT used for encryption and decryption, respectively

Remarks: the above keys of each parties are long term keys. There must be a secure binding between a party's identity and its public key. Such a binding may be in the form of a public key certificate issued by a certification authority. For references on public key encryption schemes, digital signature

schemes, encryption and decryption and one-way hash functions, public key certificates, see D. E. R. Denning, Cryptography and Data Security, Addition-Wesley, Reading, MA, 1983; W. Stallings, Network and Internetworks Security - Principles and Practice, Prentice Hall, Englewood Cliffs, NJ, 1995; and C. Kaufman, R. Perlman and M. Speciner, Network Security - Private Communication in a Public World, PTR Prentice Hall, Englewood Cliffs, NJ, 1995.

We will describe three protocols for fair exchange of digital data between distrustful parties A and B with an off-line trusted third party T. In all the protocols, we implement a new cryptographic mechanism called Certificate of Encrypted Message Being a Signature (CEMBS). A CEMBS is generated by the party who initiates a fair exchange to prove to others, in particular the other party, that an encrypted message is a certain party's signature on a known file while without revealing the signature. Let PK_X/SK_X be party X's public/private key pair in a public key encryption scheme and pk_Y/sk_Y be party Y's public/private key pair in a digital signature scheme. Let $sign_Y = Ssign(sk_Y, M)$ be Y's signature on a file M under sk_Y and $C_X = Pencyr(PK_X, sign_Y)$ be the ciphertext of the encrypted signature $sign_Y$ under X's public key PK_X . Party Y can generate a CEMBS, denoted as $Cert_Y_X$, to prove that C_X is indeed the encryption (under PK_X) of the signature $sign_Y$ on M while without disclosing the signature. The $Cert_Y_X$ can be verified by anyone using a public verification algorithm $Veri$, which on inputs $Cert_Y_X, C_X, M, PK_X$, and pk_Y , output "yes" or "no".

The CEMBS can be realized on cryptosystems with $P = \text{ElGamal}$ public key encryption scheme and $S = \text{DSA-like}$ digital signature scheme. It can also be realized on cryptosystems with $P = \text{ElGamal}$ public key encryption scheme and $S = \text{Guillou-Quisquater}$ digital signature scheme. Procedures on the realization and verification of CEMBA will be shown later.

1. Protocol 1 - Fair Exchange of Digital Signatures on A Common File

It is assumed that A and B have agreed on a common file (such as a digital contract document) M. Referring to Figure 1, the steps for A and B to exchange their digital signatures sign_A and sign_B on M are:

a. Party A, in step 100 using a Signature-Ciphertext-CEMBS-Generation Program (SCCGP), computes its signature $\text{sign_A} = \text{Ssign}(\text{skA}, M)$ on the file M , the ciphertext $C_T = \text{Pencr}(\text{PKT}, \text{sign_A})$ on sign_A under T 's public key PKT , and the CEMBS Cert_A_T which is used to prove that C_T is a ciphertext of sign_A without disclosing the signature. A sends $\text{MSG1} = (C_T, \text{Cert_A_T})$ to B.

b. Party B, upon receiving MSG1 in step 120, checks whether $\text{Veri}(\text{Cert_A_T}, \text{C_T}, \text{M}, \text{PKT}, \text{pkA}) = \text{yes}$ in step 140. If the answer is "no", B does nothing or sends an alert signal to A in step 160; if it is "yes", B computes and sends his signature $\text{sign B} = \text{S sign}(\text{skB}, \text{M})$ as MSG2 to A in step 180.

c. In step 200, A checks to see if it receives MSG2 and if so, checks whether $S_{\text{veri}}(\text{pk}_B, \text{sign}_B, M) = \text{yes}$. If A does not receive MSG2 or the received sign_B is not valid, A does nothing or sets up an alert signal to itself and B in step 220. If sign_B is valid, A accepts it and sends sign_A as MSG3 to B in step 240. At this point, A considers the fair exchange completed.

d. In step 260, B checks to see if it receives MSG3 and if

e. Upon receiving MSG4 in step 320, T in step 340 first checks sign_B using B's public key pkB to make sure that it is B's signature on M. If sign_B is correct, T decrypts C_T using its private key SKT to get sign_A and then checks whether it is A's signature on M using A's public key pkA. If both sign_A and sign_B are valid, T sends sign_A in MSG5 to B and sign_B in MSG6 to A in step 360. On the other hand, if either sign_B or sign_A is incorrect, T does nothing or send an alert signal to B in step 380.

g. Upon receiving MSG6 in step 420, A accepts sign_B if it has not been accepted in step 240; otherwise, A discards MSG6.

It is apparent that if A and B both behave properly, they will obtain each other's signatures without any involvement of T. Now consider what happens if B performs improperly. B has two chances to perform improperly. The first one is in step 180 where B may send A an incorrect sign_B, but A can detect this in step 200 and refuse to give sign A to B. The second chance

2. Protocol 2 - Fair Exchange of Digital Signatures on Different Files

2. Protocol 2 - Fair Exchange of Digital Signatures on Different Files

Here we assume that A and B have agreed on two files M_A and M_B . The process for A and B to exchange their digital signatures on M_A and M_B , respectively, are identical to those in Protocol 1 except that 1) A's signature is on " $M_A || h(M_B)$ " and B's signature is on " $M_B || h(M_A)$ ", i. e., $sign_A = Ssign(skA, M_A || h(M_B))$ and $sign_B = Ssign(skB, M_B || h(M_A))$, where $h()$ is a one-way hash function; 2) when B asks T's help in step 300, B sends M_A , M_B , C_T , and $sign_B$ as MSG4 to T; and 3) upon receiving MSG4 in step 320, T in step 340 decrypts C_T to get sign A and checks to see if sign A and sign_B are

and A and B's signatures on " $M_A || h(M_B)$ " and " $M_B || h(M_A)$ ", respectively.

3. Protocol 3 - Fair Exchange of Confidential Data and Signature

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electronic payment scheme, see R. Rivest and A. Shamir, "PayWord and MicroMint - two simple micropayment schemes", RSA CryptoBytes, 1996, and applications of digital timestamping S. Haber and W. S. Stornetta, "How to time-stamp a digital document", Journal of Cryptology, 3(2), pp. 99-111, 1991.

The steps of the exchanges are:

a. Party A, in step 500 using a Signature-Ciphertext-CEMBS-Generation Program (SCCGP), computes its signature $\text{sign_A} = \text{Ssign}(\text{skA}, \text{h}(\text{M}))$ on the one-way hash of the desired message, the ciphertext $\text{C_T} = \text{Pencr}(\text{PKT}, \text{sign_A})$ on sign_A under T's public key PKT, and the CEMBS Cert_A_T which is used to prove that C_T is a ciphertext of sign_A without releasing the signature. A sends C T and Cert A T as MSG1 to B.

b. B, upon receiving MSG1 in step 520, checks whether $\text{Veri}(\text{Cert_A_T}, \text{C_T}, h(M), \text{PKT}, \text{pkA}) = \text{yes}$ in step 540. If the answer is "no", B does nothing or sends an alert signal to A in step 560; if it is "yes", B sends M in MSG2 to A in step 580.

c. In step 600, A checks to see if it receives MSG2 = M and if so, checks whether the one-way hash of the received message matches the known $h(M)$. If A does not receive MSG2 or M is not valid (i. e., the one-way hash of the received message does not match $h(M)$), A does nothing or sets up an alert signal to itself and B in step 620. If the received M is valid, A accepts it and sends sign A in MSG3 to B in step 640. At this point, A

considers the fair exchange process completed.

d. In step 660, B checks to see if it receives MSG3 and if so, checks whether $\text{Sveri}(\text{pkA}, \text{sign_A}, h(M)) = \text{yes}$. If B receives MSG3 and sign_A is valid, it accepts sign_A in step 680. At this point, B considers the fair exchange process completed. If B does not receive MSG3 or the received sign_A is not valid, B sends M and C T to T in MSG4 in step 700.

e. Upon receiving MSG4 in step 720, T in step 740 first computes $h(M)$ of the received M, decrypts C_T using its private key SKT to get $sign_A$ and then checks whether it is A's correct signature on $h(M)$ using A's public key pkA. If it is, T sends $sign_A$ in MSG5 to B and sends M in MSG6 to A in step 760. On the other hand, if $sign_A$ is not a signature on the newly computed $h(M)$, T does nothing or send an alert signal to B in step 780.

f. Upon receiving MSG5 in step 800, B accepts sign_A and terminates the session.

g. Upon receiving MSG6 in step 820, A accepts M if it has not been accepted in step 640; otherwise, A discards MSG6.

4. The First Embodiment of the SCCGP

Figure 3 shows the flow chart of the first embodiment of the Signature-Ciphertext-CEMBS-Generation Program (SCCGP). It is

described for a cryptosystem where P = ElGamal public key encryption scheme and S = DSA-like digital signature scheme. For references on ElGamal scheme and DSA, see T. ElGamal, "A public key cryptosystem and a signature scheme based on discrete logarithms", IEEE Transactions on Information Theory, IT-31(4):469-472, 1985 and NIST FIPS PUB 181, Digital Signature Standard, U.S. Department of Commerce/National Institute of Standards and Technology, respectively.

Let p and q be prime integers such that $p = 2q + 1$. For security reason, we require that $q - 1$ have no small prime factors except 2. Let G , an element in \mathbb{Z}_p^* , have order q and g be a generator of \mathbb{Z}_q^* . We have

P : ElGamal public key encryption scheme on (\mathbb{Z}_q^*, g)

SKT : a random element in $\{1, 2, \dots, q-2\}$

PKT : $g^{SKT} \bmod q$

The ciphertext of m , where m is an element in \mathbb{Z}_q^* , under PKT is $C_T = \text{Pencr}(PKT, m) = (W, V)$ where $W = g^w \bmod q$ for a random number w in $\{1, 2, \dots, q-2\}$ and $V = m(PKT)^w \bmod q$. The decryption is $m = V/(W^{SKT})$ in \mathbb{Z}_q^* . Further, we have

S : a DSA-like signature scheme on (\mathbb{Z}_p^*, G)

skA : an element in \mathbb{Z}_q^*

pkA : $G^{skA} \bmod p$

Party A's signature on M under skA is $S_{\text{sign}}(skA, M) = (r, s)$ where $r = G^k \bmod p$ for an random element k in \mathbb{Z}_q^* and $s =$

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$(h(M) + r(sk_A)) / k \bmod q$. Here $h()$ is a one-way hash function. The verification $S_{\text{veri}}(pk_A, (r, s), M)$ is to check whether $r^s = (G^{h(M)})(pk_A^r) \bmod p$.

CEMBS in the cryptosystem described above can be realized through Stadler's PEDLDLL (Proof of Equivalence of Discrete Logarithm to Discrete LogLogarithm), see M. Stadler, "Publicly verifiable secret sharing", Proceedings of Eurocrypt'96, LNCS 1070, Springer-Verlag, pp.190-199, 1996. The PEDLDLL problem is stated as following:

Let p and q be as defined above. Let x, y and z be elements in Z_q^* and X and Y be elements in Z_p^* where the order of X is q . There exists a a in $\{1, 2, \dots, q-2\}$ such that $y = x^a \bmod q$ and $Y = X^{(z^a)} \bmod p$. A prover, who knows a , can produce a PEDLDLL certificate to prove to a verifier that indeed $y = x^a \bmod q$ and $Y = X^{(z^a)} \bmod p$ for some a while not revealing a and z^a . Here x, y, z, X , and Y can be regarded as public values to the verifier.

The CEMBS Cert_A_T can be induced from a PEDLDLL certificate as follows. When party A encrypts the signature $\text{sign_A} = (r, s)$ under PKT, it only encrypts s while leaves r in plain. That is, the encrypted signature is $C_T = (r, \text{Pencr}(\text{PKT}, s))$ where $\text{Pencr}(\text{PKT}, s) = (W, VT)$, with $W = g^w$ and $VT = s((\text{PKT})^w)$. Hence, the encrypted message is A's signature on M implies that

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Table 1. Mean values of the variables measured during the 60-min test

d. Output `sign_A`, `C_T = (r, Pncr(PKT, s))`, and `Cert_A_T` in step 1080.

5. The Second Embodiment of the SCCGP

Figure 4 shows the flow chart of the second embodiment of the Signature-Ciphertext-CEMBS-Generation Program (SCCGP) of the present invention. It is described for a cryptosystem with $P =$ ElGamal public key encryption scheme and $S =$ Guillou-Quisquater digital signature scheme. For reference on the Guillou-Quisquater digital signature scheme, see L. C.

The cryptosystem requires a trusted authorized center AC to create system parameters. AC chooses two primes R and Q where $R = 2p'q+1$, $Q = 2pq+1$ for primes p' , p and q , sets $n = RQ$ and chooses an element g in Z_n^* such that it has order q . Next, AC randomly chooses a large number v co-prime to $(R-1)(Q-1)$ and publishes system parameters n , g , q , v . R and Q can be destroyed and AC may cease to exist after this system initialization.

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P:      ElGamal system on  $(\mathbb{Z}_n^*, g)$ 
SKT:    randomly selected from  $\{1, 2, \dots, q-2\}$ 
PKT:  $g^{\text{SKT}} \bmod n$ 
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The ciphertext of m , an element in \mathbb{Z}_n^* , under PKT is $\text{Pencr}(\text{PKT}, m) = (W, V)$, where $W = g^w \bmod n$ for a random w in $\{1, 2, \dots, q-1\}$ and $V = m(\text{PKT})^w \bmod n$. The decryption is $m = V/W^{\text{SKT}} \bmod n$. Further, we have

d. Output sign_A, C_T, and Cert_A_T in step 1280.

Note that verification of Cert_A_T is to check whether $c = H(g || W || PKT^v || (VT^v)/V || (g^r)(W^c) || ((PKT^v)^r)((VT^v/V)^c))$ holds true.

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